PROJECT OVERSIGHT REPORT

HP 3000 Replacement Project – Office of the Insurance Commissioner (OIC)
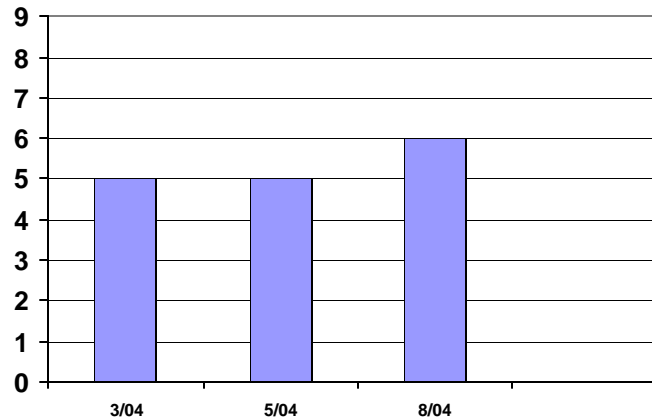
Report as of Date: August 2004

Executive Sponsor: Mike Watson
Project Director: Mike Shea

MOSTD Staff: David Koch

Severity/Risk Rating: Medium (medium severity, medium risk)

Oversight: Level 3 – ISB (Approved as Level 3 by DIS Director)

Overall Project Risk Assessment

Staff Recommendations: There are no recommendations at this time.

Variances:

▪ Schedule: None.

▪ Budget/Cost: None.

▪ Scope: None.

▪ Resources: Since the project was elevated to a Level 3 project additional funds will be needed to add external QA until funding for IV&V is available.

Risks/Mitigation:

1. Schedule
    The schedule is aggressive and contains little contingency.

    Mitigation Tasks
    ▪ The agency has recently conducted a risk assessment and is currently evaluating several implementation options that are intended to mitigate project risks. Agency project staff are conducting market research and assessing the capabilities of the vendor community to support the various implementation options currently being evaluated. The agency intends to finalize the implementation strategy in August. Executive Leadership is aware of the project risks and supports evaluating implementation alternatives that will reduce project risk.

2. Budget & Resources

<u>Mitigation Tasks</u>
- OIC has allocated funds for Independent Verification and Validation (IV & V) for this project. The IV&V technical support will be retained in conjunction with the Integration Vendor during the Solution Implementation Phase. Additionally, the agency is preparing to retain additional External Quality Assurance support to provide ongoing, independent review of all project related activities, including evaluating project controls, procedures, plans, schedules, etc.

- The project has agency executive and ISB Staff oversight. The OIC IT manager is currently coordinating the project. A contract project manager has been hired and is evaluating the current scope and schedule of the project. Executive sponsor (Mike Watson) involvement will be expected and is critical to the success of the project.

Background Information

Description: The project will allow OIC to replace its Hewlett Packard 3000 system. HP will cease support for HP 3000s as of December 31, 2006. The Director of the Department of Information Services has approved the acquisition of the replacement system and directed that OIC provide an information briefing to the ISB.

The majority of applications and data repositories currently utilized to meet OIC's business objectives and supporting OIC operations run on the HP3000 platform. Hewlett Packard, the manufacturer of the HP3000, recently announced that it would cease support for this platform as of December 31, 2006. Originally developed using the Speedware programming language and a TurboImage database system, the current set of applications and databases serve as the primary information source and automated functionality for OIC business operations.

In addition to supporting the required platform migration, a number of business and technical issues and opportunities can be addressed by assessing the current HP3000/Speedware system's ability to serve OIC in a productive and cost-effective manner in the future and meet the business objectives discussed below. OIC's approach to meet the above objectives is to institute a best-of-breed procurement strategy that will identify and implement package solutions that meet OIC's needs. The technology platform will be Windows NT/2000 (or, depending upon the implementation date, the latest Microsoft server release) suite, which is consistent with OIC technical direction. Much of OIC's current requirements will be met by integrating available COTS (Commercial Off The Shelf Software) products with supporting custom development as required. Package modifications (e.g. building workflow route maps) will have to be performed as well as a limited custom programming to provide functionality not available from package solutions.

Technology: To be determined.

Budget/Costs: Implementation/development costs:

Software Licenses	$475,000
Hardware	$161,000
Contract Services	$2,195,683
OIC Staff	$229,834
Total	$3,061,517
Annual Maintenance	$318,164
5 Year Maintenance	$1,590,820

Total Cost for Life Cycle   **$4,652,337**